



Utility Contracting Options

The most common utility programs available to Federal agencies today are customized programs. These are programs in which utilities prepare a tailor-made package of options for Federal agencies. The availability of these custom-designed programs is one advantage of working with utilities.

Customized programs typically use the following types of agreements:

- Area-wide contracts
- Basic ordering agreements
- Agency model agreements
- Site-specific agreements.

■ Area-wide Contracts

Area-wide contracts (AWCs) are agreements specifically between the GSA and a utility for a range of utility services. The GSA is the only agency authorized to sign an AWC, but once an AWC is signed, any agency in the utility service territory can use it. AWCs have been around for over 40 years, but until October 1995 they had not included a special authorization for energy management or demand-side management (DSM) services. Since then, incorporating this special authorization has been a huge area of growth. There are well over 60 AWCs in place that incorporate DSM services.

With an AWC, agencies can place their authorizations detailing a specific project under the AWC, which encompasses the general terms and conditions of the agreement. The Public Service Company of New Mexico (PNM) was the first to include the authorization for DSM. PNM is using the authorization under the AWC for a comprehensive project that includes water conservation, renewable energy, and energy efficiency measures at White Sands Missile Range.

■ Basic Ordering Agreements

BOAs are agreements between any agency and a utility. The GSA can put these agreements in place for all agencies, but agencies are free to

place their own BOAs as well. Similar to AWCs, the procedure for using BOAs is to place delivery orders under them, detailing the needs of the specific site. The Southern California Edison ENvest Program, a three-year pilot program ending in late 1995, was based on a BOA.

■ Agency Model Agreements

A new type of agreement that has emerged recently is the agency specific model agreement for use between an agency and its utility. This agreement contains terms and conditions specific to an agency and can vary from agency to agency. Saving time by tailoring the terms and conditions to a specific agency is the primary benefit of these new agreements.

Another benefit is flexibility of use. Model agreements can be attached to existing agreements or used as a stand-alone contract. Agencies can develop model agreements with the Edison Electric Institute (EEI). EEI works with its consortium of utilities to create terms and conditions that are agreeable to both the utility and the agency. The DOD and EEI developed the first agency specific model agreement that became available in April 1997. The EEI/DOD model agreement can be found on EEI's website at www.eei.org.

■ Site-specific Agreements

The final type of agreement used in custom utility programs is the site-specific contract. Site-specific contracts are agreements between a utility and an agency for work at a specific site. These contracts are time intensive and were more popular in the recent past. Unlike the other agreements, terms and conditions are not already in place. A few years ago, a site-specific agreement was used for a large energy-saving project at Fort Lewis, a U.S. Army post in Washington. The project involved three partners: the U.S. Army Forces Command/Fort Lewis, the Tacoma Public Utilities, and the Bonneville Power Administration.

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